

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**November 30, 2022**

Jacaranda Gardens, located at NE Corner of Waterman & Lincoln Avenues in El Centro, requested and is being recommended for a reservation of \$1,595,640 in annual federal tax credits to finance the new construction of 95 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 40 and Assembly District 56.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program(s) of HCD.

**Project Number** CA-22-550

**Project Name** Jacaranda Gardens  
 Site Address: NE Corner of Waterman & Lincoln Avenues  
 El Centro, CA 92243 County: Imperial  
 Census Tract: 112.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,595,640	\$0
Recommended:	\$1,595,640	\$0

**Applicant Information**

Applicant: Jacaranda Gardens CIC, LP  
 Contact: Robert W. Laing  
 Address: 6339 Paseo Del Lago  
 Carlsbad, CA 92011  
 Phone: (858) 675-0506  
 Email: robertlaing@pswcdc.org

General Partner(s) or Principal Owner(s): Pacific Southwest Community Development Corp.  
 CIC Jacaranda Gardens, LLC

General Partner Type: Joint Venture

Parent Company(ies): Pacific Southwest Community Development Corp.  
 Chelsea Investment Corporation

Developer: Chelsea Investment Corporation

Bond Issuer: California Municipal Finance Authority

Investor/Consultant: The Richman Group

Management Agent: ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 5  
 Total # of Units: 96  
 No. / % of Low Income Units: 95 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	21	22%
50% AMI:	34	36%
60% AMI:	40	42%

**Unit Mix**

24 1-Bedroom Units
48 2-Bedroom Units
24 3-Bedroom Units
<b>96 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
11 1 Bedroom	60%	\$877
9 1 Bedroom	50%	\$731
4 1 Bedroom	30%	\$438
18 2 Bedrooms	60%	\$1,053
16 2 Bedrooms	50%	\$877
13 2 Bedrooms	30%	\$526
11 3 Bedrooms	60%	\$1,215
9 3 Bedrooms	50%	\$1,013
4 3 Bedrooms	30%	\$607
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,360,391
Construction Costs	\$21,029,673
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,075,646
Soft Cost Contingency	\$249,508
Relocation	\$0
Architectural/Engineering	\$1,116,900
Const. Interest, Perm. Financing	\$1,881,494
Legal Fees	\$185,000
Reserves	\$212,134
Other Costs	\$2,238,645
Developer Fee	\$4,002,442
Commercial Costs	\$0
<b>Total</b>	<b>\$33,351,832</b>

**Residential**

Construction Cost Per Square Foot:	\$277
Per Unit Cost:	\$347,415
True Cash Per Unit Cost*:	\$311,070

**Construction Financing**

Source	Amount
Citi Community -Tax Exempt	\$17,220,000
Citi Community -Taxable	\$10,380,000
City of El Centro-Seller Carryback	\$1,217,143
Deferred Fees	\$3,130,525
Tax Credit Equity	\$1,404,163

**Permanent Financing**

Source	Amount
Citi Community	\$4,876,946
HCD-AHSC	\$10,270,753
City of El Centro-Seller Carryback	\$1,217,143
Deferred Developer Fee	\$2,271,930
Developer Contribution	\$502,442
Photovoltaic Tax Credit Equity	\$170,986
Tax Credit Equity	\$14,041,632
<b>TOTAL</b>	<b>\$33,351,832</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$30,685,385
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$39,891,001
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,595,640
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,002,442
Investor/Consultant:	The Richman Group
Federal Tax Credit Factor:	\$0.88000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.